case came before the Supreme Court Justice Scalia decided against the environment. In Justice Scalia's world, citizens would not be allowed to stop pollution just because a company is poisoning their backyards. In a case decided earlier this year, a factory had dumped toxic mercury into a nearby river 489 times. How would you like that, Mr. Speaker, in your backyard? But even though the factory poisoned the river nearly 500 times, the Justice felt that the court was making it far too easy to halt an environmental crime.

So when we come to issues that young people are interested in, such as protecting the environment, this environment that we have only on loan because it belongs to them, it is their future, we must protect it in every way that we can. We can do that by our own personal behavior; through conservation; by the people we elect to office to make decisions about the environment; by the President of the United States, who leads the country in protecting our environment and the justices that he will appoint to the court who will make decisions about the air we breathe and the water we drink. For as long as we breathe air and drink water, Mr. Speaker, we should be very interested in those decisions.

Again, on the issue of a woman's right to choose, which I think is a matter that is at risk, we are at a crossroads and one that will be very much affected by the outcome of the election on November 7.

In the interest of time, I will not go into all the other issues, Mr. Speaker, except to say that November 7 is an important day, a day when we will be choosing not only a President but that President's appointees. There is a great deal at stake for young people. I hope they will pay attention to the election and its ramifications.

SOCIAL SECURITY

The SPEAKER pro tempore (Mr. PEASE). Under the Speaker's announced policy of January 6, 1999, the gentleman from Michigan (Mr. SMITH) is recognized for 60 minutes as the designee of the majority leader.

Mr. SMITH of Michigan. Mr. Speaker, we are having an election, and the election is important for many reasons. Regarding the discussion of appointing Supreme Court Justices, I would hope that whatever President we elect does not have a litmus test for those judges; that they should be some of the smartest, some of the most well-read literary law judges that we can find in the country. We have tried to help assure that by having the advice and consent of the Senate. What they do is interpret the Constitution, and I hope that is the kind of judges that we will have.

I rise tonight, Mr. Speaker, to talk about another issue that is sort of in this campaign and is being talked about by the Vice President and Governor Bush, and that is Social Security. Social Security is an issue that I have been studying since I came to Congress in 1993.

I introduced my first bill in 1993 on Social Security and my second bill in 1995. It is a 2-year session, so every session I have introduced a bill. The last four bills have been scored by the Social Security Administration to keep Social Security solvent, and we have done that without any tax increases, without any reduction in benefits for retirees or near-term retirees.

I was appointed chairman of a bipartisan Social Security task force where we studied for many months and had witnesses, expert witnesses from all around this country and, in fact, all around the world, talking about this situation with Social Security. I suspect it is sort of like an automobile mechanic. The more he understands how an internal combustion engine works, for example, the more he is concerned about keeping it lubricated and reducing the friction. So probably mechanics are pretty diligent in terms of greasing and lubrication. So, too, I have become sort of a mechanic with Social Security, knowing its internal operations, how it works, and some of the friction points that can develop. So I guess my colleagues can consider my presentation tonight sort of like they might consider the mechanic: they should take out what they think is pertinent but get a second opinion.

Social Security is probably America's most important program. We have almost a third of our retirees that depend on the Social Security check for 90 percent or more of their total retirement income.

Mr. Speaker, I would like to introduce Erika Ball. Erika is a page, and she is from Arizona. Sarah, come up in the limelight. You might as well, too, as long as you ladies are helping me. A little closer so we get you right in the picture. How many pages do we have?

Sarah Schleck is from the great State of Minnesota. Ladies, thank you for helping me with the charts tonight.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The gentleman will suspend.

Mr. SMITH of Michigan. That is not proper; is that right?

The SPEAKER pro tempore. Members are to address their remarks to the Chair and are reminded that only Members are allowed to address the Chamber.

Mr. SMITH of Michigan. Mr. Speaker, I considered myself an interpreter. I apologize for any infraction.

Let me start out with these charts. Social Security Benefit Guaranty Act. When Franklin Delano Roosevelt created the Social Security program over 6 decades ago, he wanted it to feature a personal investment component to build retirement income. Social Security was supposed to be one leg of a three-legged stool to support retirees. It was supposed to go hand-in-hand with personal savings and private pension plans.

In fact, researching the archives, it is interesting that in the debate in 1935 in the Senate, the Senate on two occasions voted to have it optional to have a personal retirement savings account. So individuals owned accounts. Even in that case they could only be used for retirement, but there would be some individual ownership. When they went to conference, the House and the Senate ended up having government do the whole thing.

It was made from the very beginning as a pay-as-you-go program, where existing workers paid in their Social Security tax and almost immediately those dollars were sent out to beneficiaries. So it was a pay-as-you-go program with existing workers paying in their taxes to pay for existing current retirees.

The system is really stretched to its limits, and the actuaries are concerned. They say that Social Security is insolvent. We just changed it in 1983, reduced benefits and increased taxes. Yet already they are predicting that it is going to run out of money if we continue the same structure. So we have to make changes. We have to do it without reducing any benefits to existing or near-term retirees. We have to do it by making sure that we do not increase taxes on workers, and that means we have to get a better return on some of those tax dollars coming in.

Seventy-eight million baby boomers begin retiring in 2008. That means these high-income workers go out of the paying-in mode. In a sense what they pay in is related to how much they are making. They are at the top of the scale in terms of how much they are paying in taxes. Then they retire, and because the benefits are directly related to what they paid in in taxes, how much they were earning, so there is a relationship to benefits, they draw out more than maybe the average is drawing out. So a huge predicament, demographic problem.

Social Security trust funds go broke in 2037, although the crisis is going to arrive when there is less tax revenues coming in than for retirement purposes.

I will go through these slides rather quickly, but I just urge everybody, Mr. Speaker, to look and do a little studying and a little learning of the Social Security problem because it is probably one of the most significant financial challenges that Washington, that this House and the Senate and the President face.

Insolvency is certain. It is not some kind of a far-flung estimate. It is an absolute. We know how many people there are, and we know when they are going to retire. We know that people will live longer in retirement, and we know how much they will pay in and how much they are going to take out.

□ 2100

Payroll taxes will not cover benefits starting in 2015. And the shortfalls will add up to $120 trillion over the next 75 years, or actually when we run out of tax dollars covering benefits. So starting in 2015 to 2075, $120 trillion is going to be needed over and above what we are going to take in in Social Security taxes. And just to put that in some kind of perspective, since most of us do not know what a trillion dollars is, our annual budget is about $1.9 trillion for all expenditures of the Federal Government.

The coming Social Security crisis, our pay-as-you-go retirement system, will not meet the challenge of demographic change. I started talking about that. This is the number of workers per retiree. And since the number of workers contribute their taxes and it is combined to pay retirement benefits, it makes a difference. This represents what is happening as we reduce the number of workers for each retiree they are supporting.

In 1940, there were 38 retirees paying in their taxes to support each retiree. There were 34 workers supporting each retiree. So they could divide that retiree's benefits by 38 and that is what they were paying in. Today, there are three workers. So whatever a retiree gets on the average, you divide it by three and that is what the workers are paying in. By 2025 there are going to be two workers.

So together, if the retirement benefit is $1,200 a month, they are each one going to have to tribute $600 out of their paycheck to pay that retirement benefit. So the demographics are the serious problem, what is giving us a big bleak future that is represented on this chart by the red. And in 1983, we substantially increased the Social Security tax. So we went up to 12.4 percent and the 12.4 percent is now on most of the income you get. I have got a chart on that.

But that high tax increase in 1983 has resulted to more coming in in Social Security taxes that are needed for benefits, a surplus if you will. But the blue area up here, that surplus, only lasts until 2015. And then the bleak future is demonstrated in the red part of the graph. And this is where we are going to be $120 trillion short of what is needed to pay benefits over and above what is coming in in the Social Security tax, a huge challenge, a huge problem.

As I have studied this over the last 6 or 7 years, one of the things that has become very clear is we have got to get a better return on investment.

Economic growth will not fix Social Security. And so many people now are saying, well, look at this great economic growth. That is going to take care of Social Security. Since benefits are directly related to how much money you are making and if you have a job and start paying Social Security taxes, in the early years, the Social Security Administration is going to bring in more money, but since there is the direct relationship, when you retire, you are going to take out more money.

So, in the long-run, economic growth is not going to fix Social Security. Again, Social Security benefits are indexed to wage growth. When the economy grows, workers pay more in taxes but also will earn more in benefits when they retire.

Growth makes the numbers look better now but leaves a larger hole to fill later. And what concerns me is the administration has used these short-term advantages as an excuse to do nothing. I would suggest to you that we have missed a real opportunity in the last 8 years to fix Social Security.

When I introduced my first Social Security bill, that was scored to keep Social Security solvent until 1995, you did not have to be as aggressive in making changes to keep Social Security solvent for the next 100 years but you had to make a few more changes. And in fact, I ended up borrowing some money from the general fund in this last bill to keep Social Security solvent in a way to pay for the transition of some of those investments as we start getting real return on some of those investments.

My point is that the longer we wait, the more drastic the changes are going to have to be. And if you just review what this country has done, every time we have run into problems we have reduced benefits and increased taxes, one or the other, or both.

In 1978, that is what we did. In 1983, under the Greenspan Commission, that is what we did. In fact, this is when we reduced benefits by saying, look, we are going to add 2 years to the retirement, so, starting next year, we are gradually going raise it to making the maximum retirement eligibility age 67 rather than 66. But at the same time, that is when they jumped these taxes to account for the surpluses that we are having now.

There is no Social Security account with your name on it. These trust fund balances are available to finance future benefit payments and other trust fund expenditures but only in a bookkeeping sense. They are claims on the Treasury that when redeemed will have to be financed by raising taxes, borrowing from the public, or reducing benefits or reducing some other expenditures. And the source is President Clinton's Office of Management and Budget.

So we have a trust fund. They say, well, if somehow the Government pays back the trust fund, then we really will not run out of money until 2035. The argument is maybe complicated to make. But maybe think of it this way maybe: What would we do if we had no trust fund and then versus we have a trust fund? If we had no trust fund but wanted to meet our obligations of Social Security, which I think this House is going to do, we are either going to have to reduce benefits or increase taxes, like we did in 1983 and 1977, or we are going to have to reduce other expenditures. And that is the exact same three steps you take if you have a trust fund.

So the challenge for us is how do we come up with the money when we need the money.

Now getting a little bit into politics and the election trying to analyze Governor Bush's proposal and analyze Vice President GORE's proposal. The Vice President says our current debt that we owe the public is $3.4 trillion. That is the Treasury debt. It does not include what we owe Social Security trust fund or the other trust fund. It is the debt that is owed to the public.

The Vice President is suggesting that by paying off this $3.4 trillion debt we can somehow accommodate the $46.6 trillion that is unfunded that is going to be what we are going to need over and before taxes up until the year 2057. So somehow this public debt at $3.4 trillion is going to somehow accommodate paying off what we need in extra money the $46.6 trillion.

I did another graph to sort of try to depict these same statistics trying to show that it is not going to work. But adding mother giant IOU to the trust fund does not help.

The actuaries and Alan Greenspan estimate that the unfunded liability of Social Security right now is $9 trillion. In other words, to come up with $120 trillion over the next 75 years, you would need $9 trillion today with interest income on top of it earning something like 6½ to 7 percent real return to come up with $120 trillion you need over the next 75 years.

The bottom blue represents the $260 billion a year that we are paying in interest right now on the debt held by the public. So you have got $260 billion a year that we would save. And so maybe there is some rationale to say, well, let us use Social Security trust fund surpluses and use those Social Security trust fund dollars, write Social Security an IOU, use those dollars to pay down the public debt and then we will add an additional bonus to help cover Social Security by saying that we are going to use that savings every year for the next 57 years to help pay the Social Security bill.

But again, as you see, it does not do it. The $260 billion a year still leaves a $35 trillion shortfall just until 1957. And this is up until 1957 is when the Vice President says that his plan will keep Social Security solvent. The key, the challenge is coming up when you need the money, not writing giant IOUs to the trust fund.

The biggest risk I really think is doing nothing at all. Social Security, as I mentioned, has a total unfunded liability of over $9 trillion. The Social Security trust funds contain nothing but IOUs. There is a box down in Maryland where every time there is more money coming in than what is needed to pay out benefits, the Government writes an IOU and puts it in this steel box. And here again their IOUs, their bills, their notes from the U.S. Treasury I think they are going to be covered somehow. But the question is how do you cover them?

The economists say that if we were to borrow that $120 trillion from the public over the next 75 years, it would almost totally disrupt this economy with Government borrowing that much money. Some have suggested, well, we could cut down on some of the other spending.

I am sure, Mr. Speaker, people that have observed how spending is going up and the propensity of Congress to spend doubt whether we are going to take the whole Federal budget and do nothing with it except use it for Social Security.

That is why we have got to start investing this money and that is why the magic of compound interest can help us get out of the problem we are in. To keep paying promised Social Security benefits, the payroll tax will have to be increased by nearly 50 percent or benefits will have to be cut by 30 percent. And I say that is a no. We cannot do that. We are already increasing the taxes way too much on the American workers.

We have heard a lot of talk about the Social Security lockbox. It may be a little gimmicky, but it has accomplished a lot for us. When Republicans took the majority in 1995, we got together and here was a group of Republicans that had not been in the majority for almost 40 years in the House and we decided one thing we were going to do is work to balance the budget and part of that was not using the Social Security trust fund surplus for other Government spending.

The problem with this chamber, of course, once you start spending more money, if you spend it on a particular program for maybe 2 years, those recipients start hiring lobbyists to say, boy, this program is really important. We have got to continue this spending. So even the emergency spending has become routine spending and we continue to expand spending.

So one of the important things that it seems to me that we have got to do is have the discipline, have the intestinal fortitude to hold back on the growth of Government because it leaves that much more obligation to our kids and to our grandkids on top of the Social Security problem.

Vice President GORE has talked about the lockbox, but I would simply say that this chamber has passed the lockbox legislation. It is over in the Senate and right now there is, as I understand it, a problem, a filibuster. If Vice President GORE would urge his Senate colleagues on his side of the aisle to pass the lockbox, there is no question in my mind that it would pass through the Senate and we would send it to the President and I think the President would sign it.

Let me talk about the diminishing returns of your Social Security investment. On average, the average retiree today receives back a real return of 1.9 percent on the taxes that they and their employer put in, or if they are self-employed, all their taxes that they have put in.

This is what the middle light purple shows is the average of 1.9 percent. You see, some do not even break even. Some have a negative return. That is minorities. A young black worker, for example, on average is going to live 62½ years. That means they can work all their life but they die before they are eligible for benefits and they get nothing but a burial expense of something like $250.

□ 2115

So it is especially unfair to those particular groups that have a shorter lifespan right now.

The market for the last 100 years has been almost a return of 7 percent real return, and we will get into those figures a little bit. My grandson, well, I will wait until I get to the picture of my grandson, but it is the future generation at risk.

If we do not do something, I can see a generational warfare where the young workers of this country, if they are asked to pay 47 percent payroll tax without any changes, without adding prescription drugs or any extra benefits to Social Security, and the vice president also adds increased benefits on Social Security, but with doing no more adding of benefits the prediction is that to cover Medicare, medicaid and Social Security within the next 35 years we are going to have to have a payroll tax that is about 47 percent of what you make. Right now the payroll tax is 15 percent.

Under the current Social Security program, this is how many years you are going to have to live after retirement to break even with what you and your employer put into Social Security taxes, and this does not include that part of the Social Security tax that goes for insurance, goes for disability insurance. So that is taken out of the calculation. Nobody is touching that. Nobody is suggesting we do anything with that portion, that you are really buying insurance in case you become disabled or something. That stays in place and that is never touched as far as anything but an absolute insurance policy for disability.

If you were lucky enough to retire in 1940, it took 2 months to get everything back that you and your employer put in. Two years, 1960; 4 years 1980. If you retired in 1995, you are going to have to live 16 years after you retire to get everything back. If you retire in 2005, you are going to have to live 23 years. If you retire in 2015, 26 years.

Now our medical technology is doing great things. We have the nano technology. We have the new gene cataloging. Maybe it is possible to develop the kind of medical techniques that is going to allow you to live long enough after you retire to break even and get back everything you and your employer put in, but I will guarantee everybody, Mr. Speaker, that they also better do some extra saving now to account for the other two legs of that three-legged stool if they want to live in any kind of decent conditions if they are going to live that long.

Anyway, my point here is that it is a bad investment. It is a bad investment on Social Security and we are going to get into that.

These are my grandkids getting ready for Halloween. Bonnie and I have nine grandkids now so there are a few missing here, and I blew this picture up. I have the picture on my wall as I go out my door to make votes. Let me sort of, I think, brag a little bit. I have never taken any special interest PAC money because I sort of always have wanted the independence. So I make my decision looking at this picture and deciding what is going to be best for these kids and your kids, your grandkids 20, 30, 40 years from now. Sometimes you cannot tell for sure but at least you put that as sort of a criteria and you try to say, look, is this decision going to make America stronger; is it going to keep our economy going?

Well, that is Selena and James and Henry and George, he is a tiger, Emily, Clair, Francis and my grandson Nick Smith. My name is NICK SMITH so it is sort of maybe that is my immortality, but even Nick at 13 years old is going to have to live that 26, 28 years after retirement to break even. That is under the existing program and that is assuming that somehow we are going to come up with the money, but if we do not get a better return on the investment of some of the money going in, then he may very well be asked to go up to 47 percent of what he makes on a payroll tax to cover medicaid and Social Security and Medicare. If he does that, then he is probably going to have to live 60 years after he retires.

Anyway, I put the picture up just to make every grandparent think that as they look at the possibility of somebody that might promise them more benefits, every grandparent has to also think, what is going to be the implication on their grandkids, and it is going to be huge if we continue to increase benefits, and that starts, of course, when the baby-boomers start retiring in 2008, 2009. This is what we have done on tax increases.

Just look at this a minute, Mr. Speaker. In 1940, we had a 2 percent rate. The employee paid 1 percent. The employer paid 1 percent. The base was on the first $3,000 so $30 for the employee, $30 for the employer for not more than $60 a year. 1960 upped it to 6 percent, the base was $4,800. The base was also raised. That meant $288 a year combined employer/employee; 1980, 10.16 percent, raised the base again to $25,900. That means employee/employer together paid $2,631 and today, of course, it is 12.4 percent of the first $76,200. That is a total of $9,449. A huge challenge of what I think happens down here at the bottom of this chart, if we continue to go like we have been, with politicians seeking rewards and getting on the front pages of the papers, they take home pork barrel projects and make promises of more benefits, but it all comes from somebody and the somebody is the American people that are paying taxes. So, again, I just urge our presidential candidates to move ahead.

Vice President GORE was at several meetings I was at at the White House and I thought we were close a couple of years ago to moving ahead with the Social Security problem, but you can understand that it is easy to demagog. With all the seniors that get Social Security and so many that are so dependent on Social Security, it is easy to scare people. The tendency somehow in this political bickering is to try to put the other person down somewhat.

This pie chart, back to how high taxes have gone, right now 78 percent of families pay more in payroll taxes than they pay in income taxes. Seventy-eight percent of American workers pay more in the Social Security tax than they do in the income tax, and I think that is a huge problem that should reinforce our determination not to yet again increase taxes.

Here are Governor Bush's six principles. They also happen to be my six principles. They also happen to be the principles of the gentleman from Arizona (Mr. KOLBE) and the gentleman from Texas (Mr. STENHOLM). They also happen to be Senator ROD GRAMS' principles from Minnesota. I borrowed some of the Senator's charts here. Protect the current and future beneficiaries; allow freedom of choice; preserve the safety net; make Americans better off, not worse off. Let me stop here a minute. On the personal investments, several suggestions. One suggestion, the way it worked out was that for every $3 you made in your private investments and they have to be safe investments, most of the bills, and my bill, call for indexed investments, and it is arranged that for every $3 you make on the stock market you would lose $2 of fixed Social Security benefits but still everybody would have a choice whether to go into the personal savings retirement program, where they own that particular retirement fund. It would become optional. But the point is, is that whether you lose $4 of Social Security benefits for every $5 you make in your investments or, in my case, you would lose Social Security with an assumption that you could make at least 4-point-some percent return on your investments. So almost in every case of every projection, individuals are better off and we will get to that with actual figures on some of the counties in America that had the option of going in to personal retirement accounts rather than going into the government's Social Security. No tax increases is pretty much an absolute what we have developed into all of these programs.

Personal retirement accounts, they do not come out of Social Security. So I have heard the vice president say, well, Governor Bush is taking the money out of Social Security but it sort of substitutes for Social Security. It stays within the Social Security system. It can only be used for retirement and it is limited to safe investments. Most of those, what I do is index stocks, index bonds and index global funds and other safe investments as determined by the Secretary of the Treasury would be the option, sort of like a 401(k), sort of like if you work in government the thrift savings accounts.

They become part of your Social Security retirement benefits. You own them. I think it is good to mention here that the Supreme Court on two occasions now has ruled that there is no entitlement, there is no connection between the Social Security taxes you pay in and your right to have any benefits. One is strictly a tax and the other is a benefit that is determined by Congress and the President. Likewise, if you happen to die before you reach retirement age, if it is money in your own account it goes into your estate, to your kids and your grandkids. It is limited to safe investments that will earn more than the 1.9 percent paid by Social Security.

I made this big because on my stump it has been used against me in my campaigns; well, the Congressman just wants to take away benefits or he wants to increase taxes, but all of these plans, no tax increases, no benefit cuts for retirees or near-term retirees. So it would be the younger worker that would have the option of the personal retirement investment accounts.

Personal retirement accounts offer more retirement security. If John Doe makes an average of $36,000 a year, he can expect monthly payments in a PRSA, a personal retirement account, of $6,514 from his personal retirement account as opposed to $1,280 from Social Security. This is just trying to demonstrate the magic of compound interest.

Choosing personal accounts, Galveston County, Texas, when we did the program in 1935 counties had the option of whether or not they wanted to put it into their personal retirement accounts or whether they wanted to put it into Social Security. Listen to this. Death benefits in Galveston, $75,000 death benefits under their personal investment accounts; Social Security $253. Disability benefits per month, Social Security $1,280; the Galveston plan, $2,749. Social Security $1,280, the same as the disability; but the retirement is $4,790 a month.

This is a statement by a young lady whose husband died, and she said thank God that some wise men privatized Social Security here. If I had regular Social Security, I would be broke. And after her husband died, Wendy Colehill used her death benefit check of $126,000 to pay for his funeral and enter college. Under Social Security she would have received a mere $255.

San Diego has the personal retirement accounts as opposed to Social Security and a 30-year-old employee who earns a salary of $30,000 for 35 years, $30,000 for 35 years and contributes 6 percent to his PRA would receive $3,000 per month in retirement and that compares to $1,077 in Social Security. The difference between San Diego's system of PRAs and Social Security is more than the difference in a check. It is also the difference between ownership and dependence on a bunch of politicians sometime to maybe make a decision like they did in 1977 and 1983 to cut benefits again.

□ 2130

I got this from Senator ROD GRAMS. This is a letter from Senator BOXER, BARBARA BOXER, Senator FEINSTEIN and Senator TED KENNEDY to President Clinton on April 22, 1999, in support of allowing San Diego to keep with their PRA system rather than go into Social Security.

They said in this letter, "Millions of our constituents will receive higher retirement benefits from their current public pensions than they would under Social Security." They are going to do better. So even these people have said, look, that private investment is better. Let San Diego keep their system.

The United States trails many other countries in the world in terms of making this change. In the 18 years since Chile offered PRAs, 95 percent of the Chilean workers have created accounts. Their average rate of return has been 11.3 percent per year.

Among others, I visited Australia, Britain and Switzerland. They offer workers PRAs. I represented the United States in an international meeting where we all talked about our public pension retirement systems, and

I was so impressed with what these other countries had done. Europe, for example, ended up with a 10 percent return on their second tier investments, and two out of three British workers enrolled in the second tier social security system chose to enroll in PRAs.

Here we have a socialist country, but they are saying, look, allow us at least in part to invest some of our money in our own accounts, in personal retirement accounts. British workers have enjoyed a 10 percent return on their pension investment over the past few years. The pool of PRAs in Britain exceeds nearly $1.4 trillion, and it is larger than their entire economy and larger than the private pensions of all other European countries combined. Very successful.

I sort of stuck this little chart on, and I do not know, Mr. Speaker, if the camera picks this up, but based on the family income of $58,475, the return on a PRA is even better. So without looking at this for a minute, if it is in there, the light blue is 2 percent of your income, and I will call it a pinkish-purple is if you invested 6 percent, and the dark purple is if you invested 10 percent of your income.

If you leave it in for 40 years, then 10 percent of the $58,000 a year would end up in 40 years worth $1,389,000. That means with 5 percent interest on that, you would not even have to touch the principal; you could get almost $70,000 a year just from interest at 5 percent.

Okay, if we can look at this little chart, and I will sort of explain it as we finish off here, the question is, what about a downturn in the stock market? You can invest in the stock market, but what if you have a crash? What if you have a crash like we did in 1917 or 1929 or 1978? What if the stock market really goes down?

This shows what has happened over the last 100 years in stock investments in the United States. You see a few dips, but it has never gone down below 3 percent. So at the very worse, over any 30-year average, any 30 years on average, it has never gone down to what the 1.9 percent return is on Social Security right now.

The average, if you take any 30-year period, and likewise, a 20-year period, you have never lost money, even putting that 20 years around the worst times in this country. If you put the 20 years or the 30 years any place around the Great Depression, you still have a positive return on that investment. The average return for any 30-year period for the last 120 years has been a return of 6.7 percent.

So, sometimes we get nervous and take our money out of the stock market, but the key to these kind of PRAs is it only can be used for retirement, so it tends to be long range.

Individuals would have the choice. So Governor Bush is saying, look, leave some choice for individuals, such as our thrift savings account. Do you want it a little more in stocks and a little less in bonds, or vice versa, and where do you want to put some of that money as an individual? So some people will end up better off than others.

I will finish up on my last chart by putting up a bunch of kids getting ready for Halloween. Their future is in our hands, Mr. Speaker, and I would hope that all of us would give some conviction.

We have done a fairly good job the last several years reducing spending. In 1993 we saw the largest tax increase in history. We decided 2 years later when the Republicans took the majority not to spend that tax increase and to hold government spending down. That has ended up in a surplus, along with just this tremendous system that we have got in this country, where those that work and save and try and invest end up better off than those that do not.

Like I say, we have used maybe some suggestions like the lockbox that kept us from spending the Social Security surplus. What we did last month as a Republican Conference is we decided, look, our line in the sand this year is going to take 90 percent of the surplus and use that to pay down the debt held by the public, and take the other 10 percent, and that is what we have been arguing about for the last month, what to do with that other 10 percent. But I think we have the President convinced now, because the public supports it, is using 90 percent of the surplus to pay down the public debt, and we have come a long ways.

That is what we are doing. But for my grandkids, for your kids and your grandkids and your great grandkids, please help us move ahead in dealing with Social Security and not continuing to put it off.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. PEASE). The Chair reminds Members that it is not in order in debate to characterize the legislative positions of the Senate or of individual Senators.

CONCERNING THE ARMENIAN GENOCIDE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland (Mrs. MORELLA) is recognized for 5 minutes.

Mrs. MORELLA. Mr. Speaker, I want to applaud the gentleman from Michigan (Mr. SMITH) for his presentation, his visual aids, and the opportunity to see his grandchildren and to recognize that is why we are all here. We are here for the future.

This evening, Mr. Speaker, my special order is on a different matter. The House was scheduled to consider House Resolution 596 this evening, and I regret that it will not do so. That resolution calls upon the President to ensure that the foreign policy of the United States reflects understanding and sensitivity concerning issues related to human rights, ethnic cleansing and genocide documented in the United States record relating to the Armenian genocide.

More than 80 years ago the rulers of the Ottoman Empire made a decision to attempt to eliminate the Armenian people living under their rule. Between 1915 and 1923, nearly 1.5 million Armenian people died and another 500,000 were deported.

The resolution that we are not considering, that we would have, serves a dual purpose. First and foremost, it is to show respect and remembrance to those Armenian people and their families who suffered during those 8 years at the beginning of that century.

Secondly, it exemplifies that if we are ever to witness a universal respect for human rights, we have to begin by acknowledging the truth, and the truth is that governments still continue to commit atrocities against their own citizens while escaping the consequences of their actions, internally by means of repression, and externally, for reasons of political expediency.

The events that took place under the rule of the Ottoman Empire were real. Real people died, and the results were and still are shocking. If we in the Congress continue to react with silence regarding these events and are unwilling to stand up and publicly condemn these horrible occurrences, we effectively give our approval to abuses of power such as the Armenian genocide. We must let the truth about these events be known and continue to speak out against all instances of man's and woman's inhumanity to man- and womankind.

I regret that rather than deal honestly and objectively with the truth, the government of Turkey continues to deny the genocide for which its predecessor state bears responsibility. I regret that it is not politically convenient to affirm the genocide. I regret that this administration prefers political expediency to principle.

Today, nearly 1 million Armenian people live in the United States. They are a proud people, who spent 70 years fighting Stalinist domination, and, finally in the last decade, they have achieved freedom. But even that freedom will never allow them to forget the hardships suffered by their friends and family nearly a century ago, nor will they ever stop forcing us to recognize that these, and similar acts, must continue to be condemned by nations and people who hold the highest respect for human rights. The United States should do so.